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IN THE

Supreme Court of the United States

OCTOBER TERM, 1972

No.

THE O. M. SCOTT AND SONS COMPANY, *Petitioner,*

v.

CLYDE M. NOLL AND S. JOSEPH FORTUNATO,
as Trustees, *Respondents.*

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

Petitioner prays that a Writ of Certiorari issue to review the judgment and opinion of the United States Court of Appeals for the Sixth Circuit in this cause.

OPINIONS BELOW

The opinion of the Court of Appeals sought to be reviewed here appears in the appendix to this petition on pages 1a-15a. It is reported at —— F.2d ——, 175 USPQ 392. The dissenting opinion appears at pages 15a-17a. The opinion of the District Court, reversed in part by the Court of Appeals, is reported at 169 USPQ 336, F. Supp. ——. Pertinent excerpts appear in the appendix at pages 19a-25a.

JURISDICTION

The opinion and judgment of the Court of Appeals was entered September 27, 1972. Timely petition for rehearing was denied by order dated November 17, 1972 (App. 18a). Jurisdiction for Writ of Certiorari is invoked under 27 U.S.C. 1254(1).

QUESTIONS PRESENTED

1. Does the Patent Act of 1952 change the rule of Graver Tank & Mfg. Co. v. *Linde Air Products, 336 U.S. 271 (1949) that a patent claim embracing unpatentable or inoperative subject matter is invalid and will not be resuscitated by judicial restatement to cover only embodiments disclosed in the patent specification?*

The Courts of Appeals, in answering this question, are in direct conflict.

This question has been answered in the affirmative by the Sixth Circuit Court of Appeals in the decision for which review is here sought and the Ninth Circuit Court of Appeals in *Kockum Industries, Inc.* v. *Salem Equipment, Inc.,* 175 USPQ 81 (9th Cir. 1972). A petition for Writ of Certiorari to review the decision in *Kockum Industries, Inc.,* was filed January 2, 1973, and assigned No. 72-951.

This question has been answered in the negative by the Court of Appeals for the District of Columbia in *Siegel* v. *Watson,* 267 F.2d 621 (D.C. Cir. 1959), by the Court of Appeals for the Fourth Circuit in *Wilcox Mfg. Co.* v. *Eastern Gas and Fuel Associates,* 400 F.2d 960 (4th Cir. 1968) (cert. den. 393 U.S. 1051), and by the Court of Customs and Patent Appeals in *Lundberg, Application of,* 244 F.2d 543 (CCPA 1957).

The conflict raises the fundamental issue of the proper role of patent claims in the patent system and poses a direct challenge to this Court's repeated pronouncements that:

"Patent claims measure the patent grant."

2. If the monopoly defined by a patent claim may be given limited scope to avoid invalidity, may it then be given a broad scope when asserted against the public?

The Sixth Circuit Court of Appeals in its decision here and the Court of Appeals for the Third Circuit in *Devex* v. *General Motors Corp.*, —— F.2d ——, 175 USPQ 321 (3rd Cir. 1972) have answered the question in the affirmative, in direct opposition to this Court's long-standing rule against such result. *White* v. *Dunbar*, 119 U.S. 47, 51 (1886).

We understand a Petition for Writ of Certiorari to review the decision in *Devex* will be filed.

3. Where, through an integrated set of private agreements, two competitors (licensees under a patent) are given the power to control all matters affecting exploitation and enforcement of the patent under which they are licensed, is proof of the exercise of the power necessary to establish patent misuse?

The Court of Appeals below said "yes."

STATUTORY PROVISIONS

Section 112 of the Patent Act of 1952 (35 U.S.C. §112) provides:

> "The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person

skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof."

The substance of the first two paragraphs has been a part of the Patent Statutes for over one hundred years. The third paragraph is new with the Patent Act of 1952.

STATEMENT OF THE CASE AS TO QUESTION 1.

In The District Court

Respondents' Patent 2,678,265 here in issue claims, as a method, the use of any one of a specifically defined, enormously large group of unpatented chemical compounds (only one of which had been tested by the inventor (App. 25a)) for the control of crabgrass in a weed-infested lawn.

The validity of the claim in issue was challenged by petitioner on the ground that it overclaimed the asserted invention. The District Court sustained this challenge and found, on evidence accepted by the Sixth Circuit Court of Appeals, that (App. 25a):

"Herein plaintiff has laid claim to a group of compounds containing thousands or even hundreds

of thousands of members but the inventor had tested only one such compound at the time of his patent application.

* * *

Plaintiff offered no proof or theory of the effectiveness of all of the thousands of compounds covered by the '265 patent. Therefore at the present time there is some scientific evidence as to the effectiveness of far less than one percent of the compounds claimed."

The District Court also found, on evidence accepted by the Court of Appeals, that compounds within the claims of the patent in suit were not effective for the purposes of the invention, i.e., were inoperative (App. 25a).

Based on this factual record the Trial Court held that the patent claim in issue was invalid for overclaiming (App. 25a), a result required by *Graver, infra.* The Trial Court followed an unbroken line of Sixth Circuit precedents, including *Kalle* v. *Multazo Co.,* 109 F.2d 321 (6th Cir. 1940), which restated the prohibition of *Corona* v. *Dovan,* 276 U.S. 358, 385 (1928) against claiming inoperative subject matter.

The issue of the effect of the Patent Act of 1952 on the overclaiming rule was not raised in the Trial Court. Apparently counsel and the Trial Court shared the prevailing view of the patent bar that it had none.

The Trial Court found the patent infringed if valid.

In The Court Of Appeals

The Sixth Circuit recognized that the claim in issue was invalid under the rule enunciated in *Graver,* commenting (App. 6a):

"It is often stated that the claims define the invention and that limitations in the specification

> will not be incorporated into unambiguous claims to uphold their validity (citing *Graver* v. *Linde*) ... the present case is indistinguishable from *Graver.*"

However, the court held the claim valid, based upon its view that the third paragraph of § 112 of the Patent Act of 1952 had changed the law and exempted functional combination "means" claims from the rule of *Graver,* and *Corona* (which had been characterized as the *Kalle* rule of the Sixth Circuit), stating (App. 8a):

> "We are of the view that this statutory amendment [35 U.S.C. § 112, par. 3] modified the *Kalle* rule as to claims falling within its scope. Claim 2 in the present case is such a claim, in that it is for a combination and the function of the element ... is specified ..."

The Court accordingly imparted validity to the claim, which had been found to cover the use of thousands of compounds (some inoperative, most of unknown efficacy) by limiting the claim to the handful of compounds disclosed in the patent specification (which it assumed, without proof, were operative) and to the equivalents of those compounds (App. 8a, 9a).

The theory that § 112 exempted the claim from the *Graver* rule was first injected into the case by the Court of Appeals, acting *sua sponte,* weeks after the oral argument.

As stated by Judge McAllister in dissent (App. 16a):

> "The above section of the statute was never thought of by plaintiff-appellants as being a ground for reversal of the District Court's holding of invalidity. It was never considered in their brief on appeal; and it was only after the case was argued and our Court asked for their views on this

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heretofore unmentioned question that appellants, for the first time, relied on the third paragraph of 35 U.S.C. A. Sec. § 112 for reversal of the judgment of the District Court."

THE CASES IN ACCORD AND IN CONFLICT WITH THE SIXTH CIRCUIT

The Ninth Circuit Court of Appeals in *Kockum Industries, Inc., supra,* decided August 14, 1972 invoked § 112 of the Patent Act of 1952 to revalidate a claim held invalid by the District Court on the ground of indefiniteness and overclaiming to include prior art. The Ninth Circuit expressly recognized that the claims did "not meet the requirements [for definite differentiation from the prior art] of *Gen. Electric Co.* v. *Wabash Co.,* 304 U.S. 364, 369." (175 USPQ 81, 83)

The Court nevertheless held that 35 U.S.C. § 112, third paragraph, permitted restatement of the claims to incorporate features disclosed in the specification and that "construing the claims in question as so limited by the specifications, invalidity under *Gen. Electric Co.* v. *Wabash Co., supra,* is avoided." (175 USPQ 81, 83). The Court also expressly recognized that its "ruling results in a restating of the claims."

In direct opposition to the view of the Sixth and Ninth Circuits, the Courts of Appeals for the Fourth Circuit, the District of Columbia and the Court of Customs and Patent Appeals have held that § 112, third paragraph, does not authorize the limitation of combination "means" claims by reference to the patent specifications.

In *Wilcox Mfg. Co., supra,* p. 2, the Fourth Circuit Court of Appeals specifically held that the rule of *Graver, supra,* survived the passage of the 1952 Patent

Act intact. After holding patent claims invalid under the rule of *Graver,* the court stated:

> "Attempting to rescue the patent, Wilcox would consider as within the claims so much of the specification as employ reciprocation in describing the machine."

The court rejected this position and stated:

> "Nor can this attempt be justified under 35 U.S.C. § 112, which allows the use of the term 'means' as it appears in the Wilcox claims, to bring into the claims of the combination patent any element described in the specification." (400 F.2d 960, at 963)

The Court of Appeals for the District of Columbia also squarely rejected the view of the Sixth and Ninth Circuit Courts of Appeals, stating in *Siegel, supra,* p. 2:

> "Appellant believes that when reading the claims one must incorporate the specification in determining whether or not to grant the patent. He relies on the third paragraph of 35 U.S.C. 112 (1952). Appellee counters, and we agree, that the claims of an application are the correct measure; limitations not expressed in the claims, though disclosed in the specifications, are not read into the claims." (267 F.2d 621 at 623)

The Court of Customs and Patent Appeals in *Lundberg, supra,* p. 2, after reviewing the history of the prior decisional law which resulted in the adoption of the third paragraph of § 112, concluded:

> "We are of the opinion, therefore, that, notwithstanding the third paragraph of Section 112, it is the language itself of the claims which must particularly point out and distinctly claim the subject matter which the applicant regards as his invention, without limitations imported from the speci-

> fication, whether such language is couched in terms of means plus function or consists of a detailed recitation of the inventive matter. Limitations in the specification not included in the claim may not be relied upon to impart patentability to an otherwise unpatentable claim." (244 F.2d 543 at 548)

All of these cases, holding that § 112, paragraph 3, did not authorize limitation of unambiguous patent claims by reference to the specification, were called to the Sixth Circuit Court's attention. Thus, the conflict between the Sixth Circuit and the other circuits in their interpretation of § 112 was deliberate. The conflict between the circuits will continue until resolved by this Court.

STATEMENT OF THE CASE AS TO QUESTION 2

To save the claim from invalidity, the Sixth Circuit limited the claim in issue to the "corresponding structure, material or acts" described in the specification and equivalents thereof (App. 8a). Yet, when petitioner on the misuse issue urged that the respondents unlawfully extended the scope of the claim and charged royalties for the use of compounds clearly outside the scope of the claim, the Court said (App. 14a):

> "... the claimed subject matter of the Schwerdle patent is not limited to the specifically disclosed embodiments thereof. Broad claims may include subject matter not so embraced."

A similar result was reached by the Third Circuit Court of Appeals in *Derex* v. *General Motors Corp., supra.* There, as here, the patent claim, invalid on its face, had been construed in limited fashion to impart validity. Nevertheless the Court permitted the patentee to assert the same claim broadly to establish infringement.

STATEMENT OF THE CASE AS TO QUESTION 3

(Patent Misuse)

Prior to the instant action the patent in suit was placed in trust (App. 3a) by two groups, referred to as Vineland and Cleary, competitors in the sale of unpatented compounds, principally disodium methyl arsonate (DSMA) for the control of crabgrass, the use of which is purportedly covered by the patent. Pursuant to the trust Vineland and Cleary each were granted non-exclusive licenses under the patent.

The trust arrangement followed litigation between the competitors, Vineland and Cleary, as to ownership and misuse, which resulted in an opinion, later impounded by the Trial Court at the insistence of the litigants, in which it was held that because of their "grossly inequitable conduct" (App. 3a) neither party had enforceable rights in the patent.

Petitioner urged patent misuse on two grounds. First, the trust arrangement placed joint control with veto power of all facets of the exploitation and enforcement of the patent in the hands of the licensee-competitors, and, second, the licensee-competitors by joint action, unlawfully extended the patent monopoly by exacting royalties for the use of two compounds beyond the reach of the patent.

The Trial Court held, and the Court of Appeals affirmed the holding, that there was no patent misuse because the arrangement was in settlement of conflicting claims as to ownership and there was no showing of any exercise of the power to control the exploitation and enforcement of the patent, and no unlawful extension of the patent monopoly.

REASONS FOR GRANTING THE WRIT

Seven years ago, in a group of cases including *Graham* v. *John Deere,* 383 U.S. 1, this Court exercised its supervisory power to eliminate conflicts and uncertainties in the application of standards of patentability (35 U.S.C. § 103). The stabilizing effect of this Court's *Graham* has been of enormous benefit to the patent system and to the public as well.

We suggest that there is great need that this Court accept jurisdiction and exercise its supervisory power to resolve similar uncertainties and conflicts which have developed as to the meaning of § 112 of the Patent Act of 1952. This portion of the Act, which sets forth the requirements to be satisfied by the inventor in disclosing his invention to the public and defining the metes and bounds of the limited monopoly afforded to the inventor in exchange for his disclosure, has never been before this Court. The restraints imposed by this Court in *Graver* and *General Electric* against overbroad or indefinite monopoly must be revitalized.

Unless the trend evidenced by the decisions of the Sixth and Ninth Circuits is arrested a patentee will be encouraged to overclaim since he may do so with impunity. He may claim subject matter in the public domain, or which is inoperative or useless, and then when the overclaiming is exposed, retreat to the examples disclosed in the specification.

1. An Interpretation by This Court of § 112 of the Patent Act of 1952 is Essential to Resolve the Conflict Between The Circuits.

The first two paragraphs of § 112, requiring that the patent specification contain a "clear, concise and exact" description of the invention concluding with "one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention", have been included in the patent statutes in substantially their present form for over one hundred years.

The third paragraph of § 112, referring to functional combination means claims was first included in the patent statutes in the Patent Act of 1952, and has not been construed by this Court.

The principles set out in the first two paragraphs of § 112 were applied by this Court in *Graver, Gen. Electric* and *Corona, supra.* In *Graver,* rendered in 1949 during the period of gestation of the Patent Act of 1952, this Court held that claims unselectively covering "silicates" and "metal silicates" including many inoperative silicates could not be saved from invalidity by limiting the claims to the operative silicates disclosed in the specification, stating (366 U.S. 271, 277):

> "The statute makes provision for specification separately from the claims and requires that the latter 'shall particularly point out and distinctly claim the part, improvement, or combination which he claims as his invention or discovery.'
>
> * * *
>
> We have frequently held that *it is the claim which measures the grant to the patentee* [citations omitted]. While the cases more often have dealt with efforts to resort to specifications to expand *claims,* it is clear that the latter *fail equally to perform their function as a measure of the grant when they overclaim the invention.* When they do so to the point of invalidity and are free from ambiguity

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> which might justify resort to the specifications, we agree with the District Court that they are not to be saved because the latter are less inclusive. Cf. General Electric Co. v. Wabash Co., 304 U.S. 364, 373-374." (Emphasis added)

The rationale of the rule that overclaiming invalidates the patent is clear.

The "object of . . . (the claims) . . . is not only to secure to (the patentee) all to which he is entitled but to apprise the public of what is still open to them." *McClain* v. *Ortmayer,* 141 U.S. 419, 424 (1891). Unless the claims perform this statutory function there will be created "a zone of uncertainty which enterprise and experimentation may enter only at the risk of infringement" which "would discourage invention only little less than unequivocal foreclosure of the field." *United Carbon Co.* v. *Binney & Smith,* 317 U.S. 228, 236 (1942).

The Court of Appeals for the Sixth Circuit in the opinion below and the Court of Appeals for the Ninth Circuit in *Kockum* are of the view that these principles, although expressly continued in § 112, second paragraph, are modified or eliminated altogether by § 112, third paragraph. By restating or limiting a claim, however broad, to cover only embodiments specifically disclosed in the specification, these courts have used § 112, third paragraph, as a vehicle to destroy the essential function of patent claims in setting the metes and bounds of patent monopoly. Uncertain and unpredictable judicial restatement of the claims, not the claims themselves, will now measure the patent grant if these court's mistaken construction of the Patent Act of 1952 is permitted to persist.*

---

* The impact of and relationship between *Kockum* and this case have already been noticed by the Patent Bar. The BNA Patent, Trademark, Copyright Journal, No. 110, dated 1/11/73, page 7-A

In reaching these results these courts have ignored the directly contrary views of other appellate courts discussed at pages 7-9, *supra*.

The Court below also ignored the legislative history of the Patent Act which reveals no intent to modify the rule of *Graver*. On the contrary, it is abundantly clear that § 112, third paragraph, was enacted to resolve uncertainties which were felt to exist by reason of the Court's opinion in *Halliburton Oil Well Cementing Co.* v. *Walker*, 329 U.S. 1, (1946), in which a combination claim defining the invention in terms of "function at the point of claimed inventiveness" was held invalid.

As stated in the Commentary on the Act:

> "It is unquestionable that some measure of greater liberality in the use of functional expressions in combination claims is authorized than had been permitted by some court decisions, and that decisions such as that in Halliburton Oil Well Cementing Co. v. Walker . . . are modified or rendered obsolete, but the exact limits of the enlargement remain to be determined." Pg. 25, Title 35 U.S.C.A. Patents, § 1-110.

While permitting greater liberality in the *use* and *form* of functional combination claims, the statute at

---

and 8, reporting the petition for certiorari in Kockum, No. 72-951, states that the Ninth Circuit's decision "allows 'language within the specification to limit and accordingly cure a claim stated in functional terms'," and ends with the following:

> "PTCJ COMMENT: Another case recognizing the 'curative' power of the third paragraph of § 112 is Noll v. O. M. Scott & Sons Co., 467 F.2d 295, 175 USPQ 392 (CA6 1972), PTCJ No. 97, A-2, in which claims that *literally encompassed inoperative compounds* were construed to cover only the compounds described in the specification and their operative equivalents." (emphasis added).

the same time prescribed a specific limiting rule for construing such claims to prevent the patentee from asserting infringement except on the basis of the embodiments disclosed in the specification and their equivalents.

This purpose is revealed by the Commentary on the Act which states that the third paragraph of § 112:

> "relates primarily to the construction of such claims for the purpose of determining when the claim is infringed (note the use of the word 'cover') and would not appear to have much, if any, applicability in determining the patentability of such claims over the prior art, that is, the Patent Office is not authorized to allow a claim which reads on the prior art." Pg. 26, Title 35 U.S.C.A. § 1-110.

This position, that the language of § 112, par. 3, is for the protection of the public, not a shelter for an overreaching patentee, has been adopted by other courts. *Bryan* v. *S. W. Richardson, Inc.*, 254 F.2d 191 (5th Cir. 1958); *Stearns* v. *Tinker & Rasor,* 252 F.2d 589 (9th Cir. 1957); *Technicon Instrument Corp.* v. *Coleman Instrument,* 255 F. Supp. 630 (D.C. Ill. 1966) Aff'd. 385 F.2d 391 (CA 7, 1967); *Wolowitz* v. *Gulf Oil Co.,* 255 F. Supp. 100 (D.C.D.C. 1966), aff'd. 379 F.2d 452 (CA D.C. 1967). These cases applied paragraph 3, § 112 to limit the scope of functional combination claims in response to the plea of one accused of infringement that the claim was being too broadly construed against it. They did not apply the statute at the demand of the patentee that his overbroad claim be limited to save it from invalidity as did the Sixth and Ninth Circuits.

Thus, the decisions of the Courts of Appeals present three views as to the effect of § 112, third paragraph. Some courts, while recognizing the propriety of func-

tional combination claims, have held that the statute does not change the long-standing tests of overclaiming and patent validity set forth in *Graver*. Other courts, without reaching the question of effect of the statute on the question of patent validity, have applied the statute in the resolution of questions of infringement of functional combination claims.

The Sixth and Ninth Circuits have held that such claims are exempt from the *Graver* rule against overclaiming, and further have construed the scope of statute so broadly as to extend the exemption to substantially all claims.

Clearly a resolution by this Court of these varying views is urgently needed.

2. There is Need for This Court to Resolve the Uncertainties as to Patent Scope Created by the Decisions of the Sixth and Third Circuits.

The action of the Sixth Circuit and the Third Circuit in *Devex, supra,* in limiting the claim to avoid invalidity and refusing to limit it for infringement illustrates the vice of the courts' departure from the rule that the "claim measures the patent grant."

The Court below (citing 35 U.S.C. § 112) held that to avoid invalidity:

> "The statute . . . requires this claim to 'be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof'." (App. 8a)

Yet the Court (also citing 35 U.S.C. § 112) held that for purposes of collecting royalties from the public, respondents were entitled to interpret the claims broadly, stating:

> "Further the claimed subject matter of the Schwerdle patent is not limited to the specifically

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> disclosed embodiments thereof. Broad claims may include subject matter not so embraced." (App. 14a)

The same broad interpretation was accorded the claim to support the holding of infringement. The Trial Court specifically held that the method of use of petitioner's product CLOUT was not the method disclosed in the patent in suit. (App. 9a-11a). Yet infringement was found.

We submit that not only is this ruling wrong, but it points out the inherent vice in the Sixth Circuit's interpretation of § 112. For it puts competitors and members of the public at the mercy of the overclaimer even after litigation exposing the overclaiming.

In *Devex,* supra, the Third Circuit found infringement although there was no proof that the accused process possessed the features which formed the sole basis for the earlier finding of patent validity.

The treatment by these courts of a claim in accordion fashion, contractable for validity and expansible for infringement demands immediate and decisive correction by this Court.

3. The Sixth Circuit's Decision on the Misuse Issues Should be Reviewed, to Prevent Erosion of the Rule that the Existence of Power to Restrain Through Concert of Action Is Per Se Misuse of Patents.

Under terms of the trust agreement (App. 21a, 22a) between the Vineland group and the Cleary group, Vineland and Cleary had complete control of the patent, its exploitation and enforcement, the "trustees," (who were the respective counsel for the two groups)

having no duties other than "ministerial" (App. 21a). The joint power and control given to the Vineland and Cleary groups included (App. 21a, 22a): (a) the fixing of the royalty rate to be paid by third parties; (b) the "direct" supervision and control of the grant of licenses and collection of royalties; (c) prohibition against use of anything other than Standard Formulator License Forms agreed upon between Vineland and Cleary (which permitted sale only in "final retail form") any changes to be subject to mutual agreement by Vineland and Cleary; (d) joint agreement as to notices of infringement, the bringing of infringement suits and selection of counsel in such suits; (e) the maintenance of a joint litigation fund; (f) the placing of the matter of seeking licenses and policing the patent directly in the hands of Vineland and Cleary, with the trustees being *prohibited* from performing these functions.

The Court of Appeals apparently accepted petitioner's proof that the licensee-competitors, Vineland and Cleary, had, through a set of private agreements, placed all matters of substance affecting the enforcement and exploitation of the patent in suit under their joint control. Yet the Court of Appeals found unconvincing petitioner's proof of the exercise of this power, and, absent such proof, the Court held petitioner had not made out its case of patent misuse. (App. 12a)

Thus the Court committed error in refusing to follow the great body of authority which holds that the creation and existence of the joint powers of control in licensee-competitors, whether or not the power was exercised condemns the arrangement as patent misuse. *Clapper* v. *Original Tractor Cab Co.*, 165 F. Supp.

565 (S.D. Ind. 1958); *Clapper* v. *Original Tractor Cab Co.*, 270 F.2d 616 (2d Cir. 1959); *Mason City Tent and Awning Co.* v. *Clapper et al*, 144 F. Supp. 754 (W. D. Mo. 1965); *U.S.* v. *Besser Manufacturing Co.*, 96 F. Supp. 304 (E. D. Mich. 1951), Aff'd. 343 U.S. 444 (1952).

Under its double standard of claim construction (limited for validity, broad for infringement) discussed under Question 2 above, the Court of Appeals also rejected petitioner's contention that Vineland and Cleary, acting jointly through the trust, unlawfully extended the patent monopoly by extracting royalties from the public for the use of two compounds (AMA and CPA) which they knew to be beyond the scope of the patent. (App. 15a)

CONCLUSION

We submit that the time is ripe for this Court to resolve the uncertainties which have arisen since 1952 as to the role of the patent claim in defining and limiting the exclusive privilege awarded to inventors.

A refusal by this Court to accept jurisdiction would continue, indeed encourage, misuse and abuse of patent monopolies, and through the continuing uncertainties inevitably have a restrictive or dampening effect on competition.

We respectfully urge that this Court re-affirm the vigor of the rule that the "patent claim measures the

grant" and that if the applicant claims more than he has invented, his patent is invalid.

Respectfully submitted,

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Dated: February 14, 1973

APPENDIX

APPENDIX

UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

Nos. 71-1518-19

CLYDE M. NOLL AND S. JOSEPH FORTUNATO, as Trustees,
Plaintiffs-Appellants,

v.

THE O. M. SCOTT & SONS COMPANY,
Defendant-Appellee.

Appeal from the United States District Court for the Southern District of Ohio, Eastern Division.

Decided and Filed September 27, 1972.

Before PHILLIPS, Chief Judge, CELEBREZZE, Circuit Judge, and MCALLISTER, Senior Circuit Judge.

PHILLIPS, Chief Judge. This is an appeal and cross-appeal from a judgment for defendant in a patent infringement action. A brief outline of the facts is essential to an understanding of the issues presented to this court. Reference is made to the comprehensive opinion of District Judge Joseph P. Kinneary reported at 169 U.S.P.Q. 336 (1971) for a more complete discussion of the facts.

The patent in suit, No. 2,678,625, was granted on May 11, 1954, to Arthur Schwerdle as assignor to Vineland Chemical Company on an application filed in July 1951. It is directed to selective post-emergent herbicides, describing and claiming a method of destroying crabgrass while doing little or no harm to desirable grasses. Schwerdle discovered the selective herbicidal qualities of disodium methyl arsonate (DSMA) in 1949. In 1950 and 1951 he offered samples of DSMA to O. M. Scott and Sons

for testing and evaluation. At that time he identified the samples only as an organic arsenic compound. Scott was impressed with the samples, requested more material for further testing, and began consideration of a dry formulation of the material for commercial use.

In 1954 Schwerdle began marketing "Crab-E-Rad," a wet spray formulation of DSMA. In response to Scott's inquiry, Schwerdle disclosed the DSMA was the herbicidally active ingredient of Crab-E-Rad and was identical with the samples furnished Scott since 1950. Scott's plan to market a dry formulation of DSMA became fixed in 1955. Inquiry was made of Schwerdle as to his ability to supply Scott with substantial quantities of DSMA. Shipments to Scott commenced in April 1956 and Scott began marketing its dry formulation under the name "Clout" by early summer. Scott purchased its DSMA requirements from Schwerdle until March 1957, paying patent royalties of $0.555 per pound. Thereafter, purchases were made from others without payment of any royalties.

We digress from the above chronology to discuss related events. Schwerdle had been an officer and employee of American Research Associates (ARA) from mid-1945 through August 1949. A co-worker accidentally had discovered the selective herbicidal qualities of phenyl mercuric acetate, an organic mercury compound. Schwerdle was placed in charge of a program for evaluation of organic arsenic compounds for similar activity. He procured several of such compounds and forwarded them to Rhode Island University in May 1949 for testing. One of the compounds sent was DSMA. Schwerdle left ARA in August 1949 to form a partnership with his wife under the name Vineland Chemical Company. The test results from the University were not reported to ARA until November 1949. Schwerdle, unaware of the University test results, undertook his own testing of DSMA in September 1949. The

results of these tests showed the chemical's effectiveness, culminating in the patent at issue.

In November 1955 ARA asserted ownership of the patent by virtue of Schwerdle's employment. An action was brought against Schwerdle in the United States District Court for the District of New Jersey, alleging that ARA was the equitable owner of the patent and demanding assignment of the patent to it. In January 1959, a lengthy opinion was filed, disposing of the litigation, which had been extremely bitter because of personal animosity between the litigants. The court in essence found that both parties had been guilty of grossly inequitable conduct and refused to lend the aid of its equitable powers to either of them. In an unusual turn of events, the court was persuaded by counsel to withdraw and impound its opinion, permitting the parties to stipulate to dismissal without an adjudication on the merits but with prejudice, in order to enter a settlement agreement. The agreement assigned the patent to a trust, with counsel for the parties designated as trustees, and granted each of the parties nonexclusive licenses. The trustees were to license the patent to responsible formulators, accounting to the parties for royalties received on an equal basis. The trustees carried out the terms of the agreement, licensing formulators of DSMA and other organic arsenic compounds.

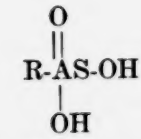
We return to the present suit. The trustees filed this patent infringement action in 1962, alleging that Scott had directly infringed and actively induced infringement of the Schwerdle patent through its marketing of Clout. Scott interposed the typical array of defenses: non-infringement; invalidity by reason of lack of novelty, obviousness, vagueness and overbreadth; and unenforceability by reason of laches, misuse and lack of title. By final pretrial order the issues were reduced to the infringement of claim 2 and the defenses of overbreadth and vagueness, obviousness, lack of novelty and misuse. Following an extensive trial,

Judge Kinneary found that claim 2 was invalid for overclaiming, but valid with respect to the asserted lack of novelty, vagueness and obviousness; that no misuse had been proved; and that the claim would have been infringed if valid.[1]

The trustees appeal from the holding of invalidity. Scott cross-appeals from the holding of infringement and enforceability.

I. Validity

Claim 2, construed to include all the limitations of generic claim 1 from which it depends, 37 C.F.R. § 1.75(c), reads as follows:

> "The method of selectively controlling the growth of crabgrass which comprises applying to an area containing crabgrass a composition comprising a mixture of at least one arsenic compound selected from the group consisting of arsonic acids and having the formula:
>
> 
>
> where R is methyl, and salts thereof; and an inert diluent therefor, in a concentration and amount sufficient to destroy crabgrass but insufficient to destroy material quantities of the useful grasses and plants."

The structural formula of the claim represents methyl arsonic acid. The "salts" of this acid are those chemical compounds in which one or both of the hydrogen ions, represented in the formula by the symbol "H", are replaced by another ion. DSMA is one of the sodium salts in which

[1] This court commends such alternative findings by District Courts as a desirable technique to facilitate disposition of all issues in a single appeal.

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both hydrogen ions are replaced by sodium ions. In the other sodium salt (monosodium methyl arsonate) only one hydrogen is so replaced. Because of the vast number of ions capable of replacing hydrogen in methyl arsonic acid, there are literally thousands of salts of this acid. Thus, the number of "mixture[s] of at least one arsenic compound selected from the group consisting of [methyl] arsonic acid, . . . and salts thereof" is virtually unlimited.

Scott introduced into evidence the results of ex parte tests of various organic arsenic compounds conducted in 1962. Judge Kinneary found that these tests "demonstrate[d] that copper methyl arsonate and phenyl mercury methyl arsonate are inoperable compounds because they were not selective." 169 U.S.P.Q. at 357. Bound by what it comprehended to be the *per se* rule of this Circuit that inoperativeness of some subject matter literally within the scope of the claim mandated a holding of invalidity, the District Court held claim 2 invalid. The court relied on the line of Sixth Circuit cases beginning with *Kalle & Co. v. Multazo Co.*, 109 F.2d 321, *modified*, 110 F.2d 814 (1940). As stated in *Kalle:*

> "Where within a general classification disclosed by the claims, are compounds which do not answer the description of the specification, even though there be a general quality common to them all, yet if there be no common quality in respect to their effectiveness in achieving the inventive concept, claims for their exclusive use cannot be sustained." 109 F.2d at 325.

The trustees seek to distinguish this line of cases on the ground that they presented situations where the alleged infringement involved subject matter within the scope of the asserted generic claim but not specifically described in the specification. It is urged that the *Kalle* rule is inapplicable to cases where the infringer has appropriated the invention both as broadly claimed and specifically de-

scribed, and that claim 2 should be construed in light of the specification to embrace only operative methyl arsonates.

We are unable to adopt this distinction. The first difficulty in this approach lies in its application. It is often stated that the claims define the invention and that limitations in the specification will not be incorporated into unambiguous claims to uphold their valdity. *See Graver Tank & Mfg. Co.* v. *Linde Air Prod. Co.*, 336 U.S. 271, 277 (1949) (*Graver I*). Yet it is also stated "that claims are to be construed in light of the specification and both are to be read with a view towards ascertaining the invention." *United States* v. *Adams*, 383 U.S. 39, 49 (1966). We have considered the numerous cases on this issue and find the limtation-construction distinction to be unworkable. For example, in *Graver I*, the Court refused to "limit" claims broadly reciting metallic silicates to those operative metallic silicates set forth in the specification, while in *Adams*, claims omitting any recitation of an electrolyte were "construed" to require a water electrolyte. *See also Sun Ray Gas Corp.* v. *Bellows—Claude Neon Co.*, 49 F.2d 886, 888-89 (6th Cir. 1931). Further, even if we were to adopt this distnction we are of the view that the present case is indistinguishable from *Graver I*.

The trustees further urge that the rule applied by the District Court is logically inconsistent with the doctrine of equivalents. Under that doctrine, subject matter not literally embraced by the claim language will be held to be an infringement if it "do[es] the same work in substantially the same way, and accomplish[es] substantially the same result." *Graver Tank & Mfg. Co.* v. *Linde Air Prod. Co.*, 339 U.S. 605, 608 (1950) (*Graver II*). The patent specification in the *Graver* cases described welding fluxes containing a major portion of one of nine specific metallic silicates, including managanese silicate. Some claims were directed specifically to alkaline earth metallic silicates, others generically to metallic silicates. The former were held valid

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and the latter invalid for overclaiming, the evidence showing that some metallic silicates not named in the specification were inoperative as fluxes. *See Linde Air Prod. Co.* v. *Graver Tank & Mfg. Co.*, 167 F.2d 531 (7th Cir. 1948). As noted above, the holding of invalidity of the generic claims was upheld in *Garver I*. The infringer used a flux containing manganese silicate, not an alkaline earth metallic silicate. It was held that the valid specific claims were infringed by application of the doctrine of equivalents on the ground that manganese silicate was equivalent to an alkaline earth metallic silicate. This ruling was upheld in *Graver II*. Thus as we read the two *Graver* decisions, overly broad claims may not be narrowed to the limitations set forth in the specification, but narrow claims may be broadened to embrace "equivalent" subject matter. This result was criticized by Justices Black and Douglas who would have limited the doctrine of equivalents to cases involving mere colorable differences between the claims of the patent and the accused devise.[2] *See id* at 612-18 (dissenting opinions).

While we disagree with the foregoing contentions urged by the trustees, we find that the *Kalle* rule was inapplicable to the claim in issue. The *Kalle* progeny are cited in the decision of Judge Kinneary and, with the exception of *Pemco Prod., Inc.* v. *General Mills, Inc.*, 261 F.2d 302 (6th Cir. 1958), will not be considered individually. These cases, apart from the above-noted exception, were decided under

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[2] The question of the continued vitality of the doctrine of equivalents was last presented to the Supreme Court by the United States Department of Justice and the American Patent Law Association as *amicii* in *Standard Industries, Inc.* v. *Tigrett Industries, Inc.*, 397 U.S. 586, *rehearing denied*, 398 U.S. 944 (1970), *aff'g* 411 F.2d 1218 (6th Cir. 1969). *See* 1970 Am. Pat. L. Ass'n Bull. 27-33. The Court did not reach the issue, affirming the decision below 4-4. Justices Black and Douglas dissented on other grounds. 397 U.S. at 586-88.

the law which predated the enactment of the statutes which now are controlling. Title 35 of the United States Code, revising and codifying the patent laws, was enacted into law by the Act of July 19, 1952, ch. 950 § 1, 66 Stat. 792. It became effective January 1, 1953. *Id.* § 4(a), 66 Stat. 815.

The 1952 Act codified R.S. § 4888 (formerly 35 U.S.C. § 33) as the first two paragraphs of 35 U.S.C. § 112. The Act added as a third paragraph to § 112, the following:

> "An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof."

We are of the view that this statutory amendment modified the *Kalle* rule as to claims falling within its scope. Claim 2 in the present case is such a claim, in that it is for a combination, and the function of the element of methyl arsonic acid and salts thereof is specified to be the selective destruction of crabgrass. *See In Re Barr*, 444 F.2d 588, 593-94 (C.C.P.A. 1971); *In re Fuetterer*, 319 F.2d 259, 265 (C.C.P.A. 1963).

The statute thus requires this claim to "be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof." The inorperative methyl arsonates set out in the test report are not embraced by claim 2 since they are not equivalents of the disclosed methyl arsonates in that they do not "do the same work in substantially the same way, and accomplish substantially the same result." *See Graver II, supra*, 339 U.S. at 608. This court in *Pemco Products, supra*, 261 F.2d 302, had no occasion to consider the effect of the 1952 Act on the *Kalle* rule as that case involved claims not within the scope of the third paragraph of 35 U.S.C. § 112. *See id.*

at 303. Further, certain compounds specifically disclosed in the specification were inoperative. *See id.* at 303-04.

Accordingly, the decision of the District Court as to invalidity is reversed.

II. Infringement

Claim 2 is silent as to the method of application and the number of applications of DSMA to turf. The specification describes spraying a water solution of the chemical in an appropriate concentration. Schwerdle disclosed DSMA to Scott only in the context of wet spray application. Scott's technology has been directed toward the production of dry products compatible with application by means of a lawn spreader. It is felt by Scott that this method of application enables the non-professional home user to apply its products with maximum convenience, uniformity and consistency. Accordingly, Scott's technical efforts with DSMA involved adapting it to a dry granular formulation. Clout, the fruit of these efforts, used expanded vermiculite as a carrier for DSMA, hexelene glycol as a sticking agent to adhere the DSMA to the vermiculite, a wetting or surface active agent to improve herbicidal action on waxy leaved weeds, and a dye to give the product the desired color. Clout is applied in multiple applications spaced about one week apart.

The District Court found that Scott had actively induced infringement of the Schwerdle patent through the sale and promotion of Clout.[3] Scott seeks to avoid liability on

[3] Claim 2 is directed to the method of crabgrass control. The mere sale of Clout cannot constitute direct infringement since such conduct is not the making, using or selling of the patented invention which is the predicate for direct infringement set forth in 35 U.S.C. § 271(a). However, if the ultimate users of Clout practice the claimed method by applying Clout to their lawns in accordance with Scott's directions, Scott has "actively induce[d] infringement . . . [and is] liable as an infringer." 35 U.S.C. § 271(b).

the grounds that Clout's multiple application, dry formulation is fundamentally different from the single application, wet spray disclosed by Schwerdle, noting their own Renner patent on Clout, granted by the Patent Office after consideration of the Schwerdle patent.

As found by the District Court and amply established by the stipulations and evidence, at the time of the Schwerdle invention the use of a dry granular herbicidal formulation including a herbicide adhered to vermiculite by a sticking agent and of a wetting or surface active agent to improve spreading and penetration of herbicides applied to waxy leaved weeds were publicly known. It similarly was known that multiple applications of a reduced amount of herbicide gave satisfactory weed control with less turf injury than a single larger application.[4] These findings relate to the question of equivalence of Clout to the wet spray disclosed by Schwerdle. The rule of construction set forth in 35 U.S.C. § 112 has been discussed in Section 1, *supra*. Further,

> "[W]here a [process] is so far changed in principle from a patented [process] that it performs the same or similar function in a substantially different way, but nevertheless falls within the literal words of the claim, the doctrine of equivalents may be used to restrict the claim and defeat the patentee's action for infringement." *Graver II, supra,* 339 U.S. at 608-09 (citation omitted.).

The appropriate inquiries on the equivalence issue are set forth in *Graver II* as follows:

> "What constitutes equivalency must be determined

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[4] Scott's contention that such findings were made with regard solely to the issue of invalidity is wholly without merit. Judge Kinneary's opinion clearly states that "[f]indings of fact made on the issue . . . of validity which are relevant to the issue of infringement are incorporated [t]herein." 169 U.S.P.Q. at 363.

against the context of the patent, the prior art, and the particular circumstances of the case. Equivalence, in the patent law, is not the prisoner of a formula and is not an absolute to be considered in a vacuum. It does not require complete identity for every purpose and in every respect. In determining equivalents, things equal to the same thing, may not be equal to each other and, by the same token, things for most purposes different may sometimes be equivalents. Consideration must be given to the purpose for which an ingredient is used in a patent, the qualities it has when combined with the other ingredients, and the function which it is intended to perform. An important factor is whether persons reasonably skilled in the art would have known of the interchangeability of an ingredient not contained in the patent with one that was." *Id.* at 609.

The District Court found that the sole active ingredient in Clout was DSMA and that the other constitutents performed well known functions to adapt DSMA to a dry formulation and improve herbicidal action. These findings, not clearly erroneous, must be sustained. Scott's own patent, while probative of the issue, is not dispositive. It has long been recognized that an improver operating under a subsequently issued patent "can not appropriate the basic patent of another and that an improver without a license is an infringer and may be sued as such." *Temco Elec. Motor Co.* v. *Apco Mfg. Co.*, 275 U.S. 319, 328 (1928). Accordingly, we affirm the District Court in the issue of infringement.

III. Misuse

Scott contends that the Schwerdle patent has been misused in several respects, thereby rendering it unenforceable. It is asserted that the trust agreement was part of a concerted action between competitors to restrain competition in the sale of DSMA and exploitation of the Schwerdle

invention and that the trustees extended the patent beyond its lawful scope. We note at the outset that the strong public policy underlying the misuse doctrine allows Scott to interpose this defense without allegation or proof that Scott was the victim of any misuse. *See Morton Salt Co.* v. *G.S. Suppiger Co.*, 314 U.S. 488, 494 (1942); *Kolene Corp.* v. *Motor City Metal Treating, Inc.*, 440 F.2d 77, 84-85 (6th Cir.), *cert. denied*, 404 U.S. 886 (1971).

Judge Kinneary found that both Vineland and ARA had colorable claims to ownership of the Schwerdle patent and that the settlement agreement was entered into in reasonable compromise of these claims which had been asserted in good faith. Had the title contest been a sham to cover a naked agreement between competitors to restrict the licensing of a patent owned by one of them, the agreement would be subject to rigid scrutiny. *See United States* v. *Besser Mfg. Co.*, 96 F. Supp. 304 (E.D. Mich. 1951), *aff'd*, 343 U.S. 444 (1952). We are unwilling on this record, however, to hold the agreement to have been a *per se* misuse. Scott further asserts that the agreement in terms and operation was used by Vineland and ARA to suppress competition in the manufacture and sale of DSMA. The District Court found that the agreement and form patent licenses granted thereunder contained "affirmative provisions which assure free competition," 169 U.S. P.Q. at 349, and that the trust in fact was not used to restrain competition. *Id.* at 350. We agree with the findings of Judge Kinneary.

The second type of misuse asserted is that the trustees collected royalties for uses of DSMA other than crabgrass control and for uses of calcium propyl arsonate (CPA) and ammonium methyl arsonate (AMA), chemicals alleged to be outside the scope of the Schwerdle patent. The patent licenses granted by the trustees contained a clause establishing a presumption that DSMA sold by the licensee would be used to practice the patented method. The evidence showed that when the trust agreement was entered into and

the form licenses established, the only commercial use for DSMA was in crabgrass control. Some three years later, a substantial part of the DSMA sold was used to control other weeds. Scott urges that the presumptive clause was used to collect royalties from the latter non-infringing uses. The proofs at trial clearly show otherwise. A licensee was free either to obtain a royalty refund upon certification of sale for control of other weeds or purchase DSMA ex-royalty, making payments only upon sale of DSMA for crabgrass control. The record is devoid of any evidence that the trustees knowingly have collected royalties for non-infringing uses of DSMA.

With respect to CPA and AMA, Scott urges that the trustees are estopped to assert infringement of the Schwerdle patent by the use of these chemicals. Estoppel is predicated on representations made to the Patent Office by Schwerdle during prosecution of applications for patent on herbicidal uses of AMA and CPA.

AMA is a species of methyl arsonate within the scope of the generic claims of the Schwerdle patent but not specifically described in the specification thereof. In response to rejections of claims to AMA in the later filed application on the ground of unpatentability over the patent in suit, Schwerdle argued that the claimed AMA salts were markedly and unexpectedly superior to those disclosed in the patent. It is Scott's position that these representations estop the trustees to assert that AMA is within the scope of the patent in suit. It is our view that Scott has fallen far short of the mark. Misuse of this type is not made out unless it is shown that AMA is without the scope of the Schwerdle patent and that the trustees knowingly extracted royalties for the uses thereof in the face of this lack of coverage. The record shows neither.

It is clear that a specific improvement patent may be granted in the face of a basic patent which generically but

not specifically describes the claimed subject matter of the later filed application where the species claimed possesses properties unexpectedly superior to the genus disclosed. *See In re Petering*, 301 F.2d 676, 683 (C.C.P.A. 1962); *cf. In re Arkley*, 455 F.2d 586 (C.C.P.A. 1972). Further, the claimed subject matter of the Schwerdle patent is not limited to the specifically disclosed embodiments thereof. Broad claims may include subject matter not so embraced. *See Maxon* v. *Maxon Constr. Co.*, 395 F.2d 330, 334-35 (6th Cir. 1968); 35 U.S.C. § 112. It is thus clear that Schwerdle's representations [5] to the Patent Office in connection with the later filed application, if true [6] are in no way inconsistent with the trustees' assertion of the Schwerdle patent against formulators of herbicides using AMA as the active ingredient.

The same reasoning supports the conclusion that extraction of royalties for CPA was not a misuse. On the basis of Schwerdle's representations that CPA was unexpectedly effective as a pre-emergent herbicide (it destroyed crabgrass before germination and surface appearance) in addition to its known post-emergent effect, he was granted a patent on this method of using CPA. The evidence showed that due to the unpredictablity and variability in the time

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[5] We assume without deciding that the trustees are chargeable with Schwerdle's conduct in the prosecution of his own patent application not controlled by the trustees or within the scope of the trust agreement.

[6] There was no proof offered as to the truth or falsity of the representations. If they were false, such conduct could only invalidate the patents in whose application the assertions were made. These patents are not owned or controlled by the trustees. There can be no defense based on "'misuse in the air.' The misuse must be of the patent in suit." *Kolene Corp.* v. *Motor City Metal Treating, Inc., supra*, 440 F.2d at 84. This footnote is not to be construed as any indication that this court regards Schwerdle's representations as false.

of germination and surface appearance of crabgrass, the user will apply CPA after some of the weed has emerged, thereby practicing the method of the Schwerdle patent. Thus, although calcium arsonates are described briefly in the Schwerdle specifications, representations as to unexpected pre-emergence herbicidal activity are not inconsistent with an assertion of infringement by post-emergent application.

Since the evidence shows that the trustees had at least a colorable claim of infringement by the use of CPA and AMA,[7] the District Court is affirmed on the issue of misuse.

Affirmed in part, reversed in part, and remanded for a determination of the amount of damages.

McALLISTER, Senior Circuit Judge, dissenting.

I respectfully dissent from the opinion of the Court for the reason that I am of the view that the decision of the District Court on the issue of validity should be affirmed.

The basis of this Court's opinion is that under the language of the third paragraph of 35 U.S.C.A., Sec. 112, the rule as stated in *Kalle & Co.* v. *Multazo Co.*, 109 F.2d 321, 325 (C.A. 6),is not applicable to the claim in issue.

In *Kalle*, the Court held:

> "Where within a general classification disclosed by the claims, are compounds which do not answer the description of the specification, even though there be a general quality common to them all, yet if there be no common quality in respect to their effectiveness in achieving the inventive concept, claims for their exclusive use cannot be sustained."

Under the *Kalle* rule, the holding of the District Court that the claim in issue was invalid, it is agreed, should be

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[7] We need not and do not pass on the question of whether such uses are in fact infringements of the patent.

sustained. However, under the prevailing opinion of this Court it is said the *Kalle* case predated the enactment of the third paragraph of 35 U.S.C.A., Sec. 112, which provides:

> "An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support therof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof."

It is the foregoing paragraph of the statute that the majority opinion holds modified the rule in the *Kalle* case and that, accordingly, the District Court's holding that the claim in question is invalid, should be reversed.

The above section of the statute was never thought of by plaintiffs-appellants as being a ground for reversal of the District's Court's holding of invalidity. It was never considered in their brief on appeal; and it was only after the case was argued and our Court asked for their views on this heretofore-unmentioned question that appellants, for the first time, relied upon the third paragraph of 35 U.S.C.A. Sec. 112, for reversal of the judgment of the District Court.

I cannot bring myself to agree with the contentions now made by plaintiffs-appellants, and with the conclusions of the Court in this regard. Rather, I am of the view that the judgment of the District Court should be affirmed.

It appears to me that whether claims are drawn in the form prescribed by the third paragraph of 35 U.S.C.A., Sec. 112, or whether they are drawn in another form, they are equally subject to invalidation for overclaiming.

To adopt, in part, the language of Judge Simons in *Kalle*

& Co. v. *Multazo & Co., supra,* "[o]ut of a maze of confusing scientific discussion in briefs and records, there yet emerges with reasonable clarity to the understanding imperfectly schooled in chemical science," the fact that the patent in question in invalid for claiming inoperable compounds.

There was evidence, introduced by defendant, that the claim in question covered thousands, or possibly hundreds of thousands, of compounds; and defendant further produced evidence that the ten compounds, embraced in the claim, which it tested, were not effective for the purpose set forth. At the trial there was evidence that several other compounds, embraced in the claim, had been proven effective. The District Court held that there was ample evidence that the compounds of copper methyl arsonate and phenyl mercury arsonate were not effective, although these compounds were embraced within the claim in issue; and the Court, accordingly, held that the claim was invalid. Under the prior decisions of this Court, *Kalle* v. *Multazo, supra; Libby-Owens-Ford Glass Co.* v. *Celanese Corporation of America,* 135 F.2d 138, and *Patrol Value Co.* v. *Robertshaw Fulton Controls Co.,* 210 F.2d 146, it is my view that the claim in issue is invalid, and that the judgment of the District Court should be affirmed for the reasons set forth in the opinion of Judge Kinneary.

UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

Nos. 71-1518-19

CLYDE M. NOLL AND S. JOSEPH FORTUNATO, as Trustees,
Plaintiffs-Appellants,

v.

THE O. M. SCOTT & SONS COMPANY,
Defendant-Appellee.

Order Denying Petition for Rehearing

Before PHILLIPS, Chief Judge, CELEBREZZE, Circuit Judge, and MCALLISTER, Senior Circuit Judge.

No judge of the court having moved for rehearing in banc, the petition for rehearing has been referred to the original hearing panel.

Upon consideration, it is ORDERED that the petition for rehearing be denied.

Judge McAllister dissents. He would grant rehearing for the reasons stated in his dissenting opinion heretofore filed.

Entered by order of the court.

JAMES A. HIGGINS
Clerk

Filed
Nov. 17, 1972

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Opinion of the District Court

(Excerpts)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

No. 6319

NOLL ET AL.

v.

O. M. SCOTT & SONS COMPANY

* * * *

THE LEGAL AND FACTUAL ISSUES PRESENTED AT TRIAL

The Court will now consider the issues of (1) misuse, (2) validity and (3) infringement of the patent. In accordance with the provisions of the Federal Rules of Civil Procedure, the Court will make findings of fact and state conclusions of law with respect to the issues presented for decision.

I. MISUSE

A. *Issues on the Question of Misuse.* Prior to the trial of this action defendant filed a motion for summary judgment on the grounds that the trust established in 1959 which purported to be part of the settlement of W. A. Cleary Corporation v. Schwerdle, Civil No. 1036-55, (D. N.J., 1959) was and is a concerted action of two competitors, Vineland[6] and Cleary,[7] to control, or gain the power to

[6] "Vineland" as used hereinafter refers to the Vineland Chemical Company, the patentee herein, and Arthur and Miriam Schwerdle, its partners, Vineland Chemical Manufacturing Co., Inc., and Vineland Chemical Sales Corporation.

[7] Cleary as used hereinafter refers to the W. A. Cleary Corporation and American Research Associates, Inc. (ARA). ARA is the named party to the trust agreement, but ARA is now owned by the W. A. Cleary Corporation.

control, all matters of substance in the commercial utilization and enforcement of the '265 patent, the agreements and actions of Vineland and Cleary constituting patent misuse in per se violation of the public policy underlying the patent grant.

Defendant alleges two specifications of patent misuse. First, Vineland and Cleary, competitors in the sale of DSMA to manufacturers of products for the selective control of crabgrass in turf, combined through a set of integrated private agreements to create a position of joint control, through a veto power, over all matters of substance affecting the exploitation and enforcement of the patent in suit.

Second, Vineland and Cleary, through the means described above, extended the patent monopoly by the extraction of royalties from the public for use of compounds for crabgrass control which are not within the scope of the patent.

Defendant's argument as to the first species of misuse is as follows: Defendant contends Vineland was the sole owner of the patent in suit when it was granted in 1954 and that following the issuance of Judge Madden's opinion in W. A. Cleary Corp. v. Vineland, Civil No. 1036-55, (D. N.J., 1959), Vineland and Cleary, competitors in the sale of DSMA to manufacturers of crabgrass control products, decided to merge by combining the one hundred percent interest of Vineland in the '265 patent with the zero interest of Cleary. Defendant argues the dislike of the two competitors for each other was subordinate to their mutual dislike of other actual or potential competitors. The trust, defendant asserts, vests legal ownership of the patent in the competitor's attorneys while placing all normal legal incidents of ownership and control in Vineland and Cleary, which retained a veto power over any effective action under the patent.

Defendant argues the alleged misuse of the patent by a concert of the "competitors", Vineland and Cleary, is shown on the face of that trust agreement:

1. The duties of the trustees are "purely ministerial" (Section IV, paragraph 9).

2. The licenses are granted to third parties and royalties are collected "under the direct supervision and control of Vineland and ARA"[9] (Section IV, paragraph 9).

3. The royalty rate to be paid by third parties is to be "mutually agreed upon by Vineland and ARA" who "directed" the trustees to follow the established royalty rate (Section III, paragraph 1).

4. The trustees are prohibited from granting any licenses under the patent except the standard formulator and user licenses developed and agreed upon jointly by Vineland and Cleary. The standard agreements continue to be offered as long as they suit the joint requirements of Vineland and Cleary. Any changes in the standard agreements can be placed in effect any time, but only if "mutually agreed upon in writing by Vineland and ARA" (Section III, paragraphs 1 and 2).

5. Infringements suits under the patent are to be brought against third parties only on the joint "written notification" of Vineland and Cleary (Section III, paragraph 4).

6. Selection of counsel for infringement suits must have the "prior written approval of" Vineland and Cleary (Section III, paragraph 4).

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[9] ARA is now owned by the W. A. Cleary Corp. ARA is the actual beneficiary of the trust, but because of the identity of ownership is referred to as "Cleary" in this opinion.

7. Notices of infringement or breach of license are to be sent out only with the "prior written approval" of Vineland and Cleary (Section III, paragraph 4).

8. All litigation against third parties is to be supported by a "litigation fund" contributed to equally by Vineland and Cleary (Section III, paragraph 4).

9. The pre-existing relationship between Vineland and its attorney Noll and between Cleary and its attorney O'Brien was woven into the fabric of the trust which expressly provides that Vineland is to be "represented" by Noll as trustee and that Cleary is to be "represented" by O'Brien as trustee. (Section IV, paragraph 4). The foundation for joint action by Vineland and Cleary through their attorneys is completed by the related provision that the trustees "shall act jointly in all matter arising" under the trust (Section IV, paragraph 7).

10. The handling of the critical matters of seeking licensees under the patent and policing the patent were placed directly in the hands of Vineland and Cleary by Section IV, paragraph 9, which expressly prohibits the trustees from performing these functions.

11. Noll and O'Brien, although called "owners" of the patent, are expressly prohibited from competing with the non-exclusive licensees in operations under the patent and dealing in DSMA (Secton IV, paragraph 9).

12. The parties agree to fix and share royalties with respect to any new developments made by either of them during the life of the trust (Section III, paragraph 5(c)(iii)). They also agreed to fix and share revenue derived from developments made by the general public; i.e., "third parties not a party to this agreement" (Section III, paragraph 5(c)(iv)).

Defendant contends that the mere existence of a restrictive agreement which tends to suppress competition is sufficient proof of misuse, relying upon Columbus Automotive Corporation v. Oldberg Mfg. Co., 264 F.Supp. 779, 783, 153 USPQ 97, 100-101 (D. Col. 1967).

* * * *

II. Invalidity

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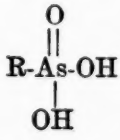
(b) Defendant argues that Claim 2 of the '265 patent covers the use of many compounds which are not operable in the selective control of crabgrass.

In Kalle & Co. v. Multazo Co., 109 F.2d 321, 325, 44 USPQ 384, 387 (6th Cir. 1940), the Court said:

> "Where within a general classification disclosed by the claims are compounds which do not answer the description of the specifications, even though there be a general quality common to them all, yet if there be no common quality in respect to their effectiveness in achieving the inventive concept, claims for their exclusive use cannot be sustained."

The rule of Kalle has been repeatedly reaffirmed by the Sixth Circuit Court of Appeals. America Chemical Paint Co. v. Firestone Steel Products Co., 117 F.2d 927, 48 USPQ 405 (6th Cir. 1941); Libbey-Owens-Ford Glass Co. v. Celanese Corporation of America, 135 F.2d 138, 57 USPQ 258 (6th Cir. 1943); Patrol Valve Co. v. Robertshaw Fulton Controls Co., 210 F.2d 146, 100 USPQ 239 (6th Cir. 1954); Pemco Products, Inc. v. General Mills, Inc., 261 F.2d 302, 119 USPQ 454 (6th Cir. 1958).

Claim 2 of the '265 patent covers, in very broad language, a method of selectively controlling the growth of crabgrass in desirable turf by applying to an area containing crabgrass a mixture containing an arsonic acid having the formula:



where R is methyl or a salt thereof; that is, the claim covers a method of selectively controlling the growth of crabgrass by applying to the crabgrass methyl arsonic acid or one of its salts; i.e., a methyl or methane arsonate.

Dr. Sweet, Professor of Chemistry at Ohio State University, testified that the structural formula of Claim 2 covers "an enormously large number of compounds"; thousands, possibly even hundreds of thousands of compounds. Arthur Schwerdle, prior to filing his patent application , tested only one such compound, DSMA.

Defendant argues that ten of many compounds it tested were not effective selective post-emergent crabgrass controllants. The evidence relating to the operability of these compounds as selective, post-emergent crabgrass controllants is set out in the findings of fact above. The Court will now discuss this evidence with reference to the applicable law.

The only evidence with respect to copper methyl arsonate and phenyl mercury methyl arsonate is that, although they control the growth of crabgrass they result in too much turf injury to be safe. The tests were conducted by defendant after litigation had commenced. Plaintiff argues that the inconsistent results of defendant's tests of *other* compounds creates a doubt as to the results of the copper methyl arsonate and phenyl mercury methyl arsonate tests. In addition, plaintiff cites the following language in Loom Co. v. Higgins, 105 U.S. 580, 586 (1881):

> "When the question is whether a thing can be done or not, it is always easy to find persons ready to show how not to do it."

Plaintiff properly points out that test results are affected by two subjective factors: first, the testor's choice of dosage, and second, the testor's evaluation of the percentage kill of crabgrass and percentage injury to desirable grasses.

[8] The Court recognizes the pitfalls pointed out by defendant and notes the desirability of inter parties and inde-

pendent testing; however, the Court must evaluate the evidence as presented and draw conclusions therefrom. When a patentee claims the exclusive use of a large group of related compounds he has the burden of proving that "all of them [have] some general quality which [makes] them effective" for purposes of the patent. Pemco Products Inc. v. General Mills, Inc., supra at 304, 119 USPQ at 455-456; but see, American Chemical Paint Co. v. Firestone Steel Products Co., supra at 929, 48 USPQ at 407-408. Herein plaintiff has laid claim to a group of compounds containing thousands or even hundreds of thousands of members, but the inventor had tested only one such compound at the time of his patent application. At the time of the trial plaintiff had tested only one of the compounds defendant asserts fail to operate in the manner claimed by the '265 patent. Plaintiff offered no proof or theory of the effectiveness of all the thousands of compounds covered by the '265 patent.

At trial there was evidence that several other compounds have been proven effective. Therefore, at the present time there is some scientific evidence as to the effectiveness of far less than one percent of the compounds claimed. This fact alone might well support a finding that plaintiff's patent claim was over broad.

The Court, however, holds that there is ample evidence that copper methyl arsonate and phenyl mercury methyl arsonate are not selective crabgrass herbicides, although the compounds are within Claim 2 of the '265 patent. In addition, the test of bis-di-n-dodecylamine methyl arsonate, calcium methyl arsonate, diphenyly mercury methly arsonal and 2-aminoethanol methyl arsonate, although contradictory, cast doubt on at least the commercial effectiveness of these compounds as selective crabgrass herbicides.[14]

WHEREUPON, the Court holds that Claim 2 of United States Patent No. 2,678,265 is invalid.

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[14] As stated in the findings of fact, see p. 358, there is no competent evidence in the record of the inoperability of lead(ous) methane arsonate, dimercury methane arsonate, calcium methane arsonate and zince methane arsonate.